



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

BYRON ROGERS FEDERAL OFFICE BUILDING
1961 STOUT STREET, SUITE 1700
DENVER, CO 80294-1961

November 1, 2023

Via ECF

The Honorable Dale E. Ho
United States District Court
Southern District of New York
40 Foley Square
New York, NY 10007

Re: SEC v. Moshe Strugano, et al., 1:22-cv-03216-DEH
Joint Update Pursuant to Notice of Reassignment (Dkt. 79)

Dear Judge Ho:

The parties submit this joint letter pursuant to the Court's Order in the Notice of Reassignment (Dkt. 79 ("Notice")) to update the Court on the status of this case and to provide specific information listed in the Notice to the extent it is relevant.

This matter was filed in April 2022. After filing this action, the SEC took steps to serve the Defendants, who reside abroad. On July 5, 2023, the Court denied Defendant Gazit's motion to dismiss for insufficient service. (Dkt. 60.) The parties subsequently submitted a joint Case Management Plan and Scheduling Order (Dkt. 73 (attached as Exhibit 1)); shortly afterwards, however, the Department of Justice filed a motion to intervene and stay this case pending the conclusion of a parallel criminal proceeding involving charges against Defendant Moshe Strugano. (Dkt. 74, 75.) The Court granted that motion on August 8, 2023, staying the case "in its entirety until the completion of the" aforementioned criminal case. (Dkt. 76.) The parties will update the Court as appropriate and submit an amended Case Management and Scheduling Order when the stay is lifted.

In addition to the above, the following responds to specific requests relevant to the current status of the case listed in the Notice.

Nature of the case: The SEC alleges in its Complaint that the Defendants engaged in insider trading and violated federal securities laws. (*See* Dkt. 3 ¶¶ 1-6). Defendants deny the SEC's allegations.

Jurisdiction and venue: The Court has subject matter jurisdiction over this case under Sections 21(d), 21A, and 27 of the Securities and Exchange Act of 1934 [15 U.S.C. §§ 78u(d), 78u-1, 78aa]. Venue is proper in this District because Defendants are foreign citizens and certain

acts, practices, transactions, and courses of business alleged in the Complaint occurred within this District, including executions of securities transactions in this District involving a security listed on a stock exchange located within this District.

Discovery to date: There has been no discovery to date.

Settlement discussions: The SEC and Moshe Strugano have engaged in settlement discussions. The SEC and Rinat Gazit have begun to discuss settlement.

Alternative dispute resolution: Prior to the stay of this case, the parties proposed a referral to a Magistrate Judge for settlement discussions. The parties agree that any alternative dispute resolution mechanism would be appropriate if explored after the current stay is lifted.

Length of trial: The parties estimate a jury trial of 5 days.

The SEC has conferred with counsel for Defendants Strugano and Gazit and has been authorized to submit this letter on their behalf.

Respectfully submitted,

s/ Terry R. Miller
Terry R. Miller (*pro hac vice*)
Ann Marie Preissler
Frank D. Goldman
Counsel for Plaintiff, United States
Securities and Exchange Commission